

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6716

BILL NUMBER: SB 226

NOTE PREPARED: Jan 16, 2004

BILL AMENDED: Jan 15, 2004

SUBJECT: Delinquent Personal Property Taxes.

FIRST AUTHOR: Sen. Skillman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a creditor that acquires and transfers personal property on which the creditor holds a lien and on which personal property taxes are delinquent to pay the delinquency from the proceeds of the transfer before applying the proceeds to the lien.

Effective Date: (Amended) July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues: The state levies a small tax rate for State Fair and State Forestry. The rate is applied to both real and personal property. Any increase in personal property tax collections will result in an increase in revenue collected for these two funds. The overall impact, however, is not expected to be significant. (See *Explanation of Local Revenues*.)

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) Requiring a creditor that acquires and transfers personal property on which the creditor holds a lien and on which personal property taxes are delinquent to pay the delinquency from the proceeds of the transfer before applying the proceeds to the lien will increase personal property taxes collected by the county treasurer by an indeterminable amount. Delinquent personal property taxes are distributed in the same manner as all other property taxes. This provision applies to property taxes first due and payable after December 31, 2004.

State Agencies Affected: State Fair and State Forestry Funds.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.